



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	
	)	No. 11-0280
INTERNATIONAL ASSOCIATION OF	)	
BENEFITS, a/k/a INDEPENDENT	)	ORDER TO CEASE
ASSOCIATION OF BUSINESSES, a/k/a IAB,	)	AND DESIST
f/k/a INTERNATIONAL ASSOCIATION OF	)	
BUSINESSES, INTERNATIONAL	)	
MARKETING AGENCY, a/k/a	)	
INTERNATIONAL MARKETING AGENCIES,	)	
INC. OF DELAWARE,	)	
	)	
Respondents,	)	
	)	
and	)	
	)	
JERRY CLARK, LAURA GORMAN, LOIS	)	
NIX, DANNY GRAY, SHANE M. MADIGAN,	)	
JEFFREY MALONE, JUSTIN FRANKLIN,	)	
ALAN TIRAS, ANDRÉA BROWN-MALONE,	)	
and DR. M.K. RAJA,	)	
	)	
Individual Respondents.	)	

Pursuant to RCW 48.02.080 and RCW 48.155.130, the Insurance Commissioner of the State of Washington (OIC) hereby Orders the above-named Respondents and their officers, directors, trustees, agents, employees, third party administrators, and affiliates to immediately cease and desist from directly or indirectly:

- A. Conducting any discount plan business in the State of Washington;
- B. Transacting any discount plan in the State of Washington; and
- C. Soliciting Washington residents by e-mail, facsimile (fax), telephone, mail, internet, or any other means to induce them to purchase any discount plan.

THIS ORDER IS BASED ON THE FOLLOWING:

1. Respondent IAB, a/k/a International Association of Benefits, a/k/a Independent Association of Businesses, f/k/a International Association of Businesses (herein collectively

"IAB") was founded as a non-profit membership association in the District of Columbia. IAB's administrative offices are located in Texas. Respondents Jerry Clark, Alan Tiras, Dr. M.K. Raja, Laura Gorman, Lois Nix, Danny Gray, Justin Franklin, Shane M. Madigan, Jeff Malone, and Andréa Brown-Malone are IAB's directors/officers. Respondents Franklin and Gray each hold nonresident Washington insurance producer licenses.

2. Since 1994, IAB has offered membership plans in Washington that have provided its members access to limited insured benefits, and beginning in 2001, IAB began also offering discount plans. IAB contracted with independent marketing associates to market IAB's membership packages, and IAB appointed a national insurance agency, respondent International Marketing Agency (aka International Marketing Agencies, Inc. of Delaware) ("IMA") to promote its insurance and other benefits to members. To this day IMA continues to manage and promote the interests of IAB members. (Respondent Gray is also VP Operations for IMA.) IAB has been marketed through numerous websites, such as [www.iabbenefits.com](http://www.iabbenefits.com), [www.iabffl.com](http://www.iabffl.com), [www.iabusa.com](http://www.iabusa.com), and [www.breakthroughhealth.net/iab](http://www.breakthroughhealth.net/iab).

3. In 2009, Chapter 155 of the Insurance Code took effect. This law requires persons to obtain a license from OIC before conducting any discount plan business in this state. In 2009 IAB applied to OIC for such a license, but OIC denied this application by letter dated January 11, 2010. None of the Respondents have been granted a license to act as a discount plan organization in Washington.

4. In September 2010, in response to questions from OIC staff about IAB's business in Washington, IAB indicated that it had sold a total of 190 Washington memberships to 161 Washington members, some or all of which included discount plans, and IAB was continuing to accept monthly fees from these Washington residents despite its license denial. IAB also indicated that since January 11, 2011, IAB sold Washington residents 39 memberships that included discount medical benefits as a part of the membership.

5. Respondents' above-described conduct violated the Insurance Code, including RCW 48.155.020(1) (discount plan organization license required).

IT IS FURTHER ORDERED that Respondents, within ten (10) days of the date of this Order, shall mail a copy of this Order to each Washington resident to whom Respondents have sold a discount plan, and that Respondents report to the OIC all monies collected or charged for policies they sold covering Washington risks.

IT IS FURTHER ORDERED that nothing herein shall prevent Respondents from fulfilling the terms of contracts formed prior to the effective date of this Order pursuant to RCW 48.15.020(2)(b) or from providing a refund when requested by a Washington consumer pursuant to RCW 48.15.030, and nothing herein shall estop OIC from further ordering the replacement of Respondents' Washington contracts with an authorized discount plan provider pursuant to RCW 48.15.020(3) and RCW 48.155.130(2).

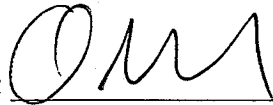
Any violation of the terms of this Order by Respondents, their officers, directors, agents, or employees, or affiliates, will render the violator(s) subject to the full penalties authorized by

RCW 48.02.080, 48.15.023, RCW 48.155.130, and other applicable sections of the Insurance Code of the State of Washington.

Respondents have the right to demand a hearing pursuant to RCW Chapters 48.04 and 34.05. This Order shall remain in effect subject to the further order of the Commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Tumwater, Washington, this 22 day of February, 2012.

MIKE KREIDLER  
Insurance Commissioner

By:   
Alan Michael Singer, Staff Attorney  
Legal Affairs Division  
Office of Insurance Commissioner  
State of Washington

CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the State of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the State of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date signed below, I caused to be served a copy of the foregoing ORDER TO CEASE AND DESIST on the following individuals and entities by mailing each a copy at the following addresses via regular US Mail, postage prepaid:

International Association of Benefits, a/k/a Independent Association of Businesses, a/k/a IAB, f/k/a International Association of Businesses  
1747 Pennsylvania Ave NW Suite 1000  
Washington DC 20006

International Association of Benefits, a/k/a Independent Association of Businesses, a/k/a IAB, f/k/a International Association of Businesses  
701 Highlander Blvd. Suite 400  
Arlington TX 76015

International Marketing Agency, a/k/a International Marketing Agencies, Inc. of Delaware  
1201 W. Arbrook Blvd. #121924  
Arlington TX 76015-4213

Danny Gray  
1201 W. Arbrook Blvd. #121924  
Arlington TX 76015-4213

Jerry Clark  
701 Highlander Blvd. Suite 400  
Arlington TX 76015

Laura Gorman  
701 Highlander Blvd. Suite 400  
Arlington TX 76015

Lois Nix  
701 Highlander Blvd. Suite 400  
Arlington TX 76015

Shane M. Madigan  
701 Highlander Blvd. Suite 400  
Arlington TX 76015

Jeffrey Malone  
124 Columbia Heights  
Brooklyn NY 11201

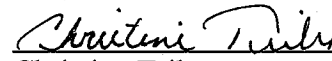
Justin Franklin  
701 Highlander Blvd. Suite 400  
Arlington TX 76015

Alan Tiras  
865 Tahoe Blvd. Suite 200  
Incline Village NV 89451

Andréa Brown-Malone  
701 Highlander Blvd. Suite 400  
Arlington TX 76015

Dr. M.K. Raja  
2209 Park Hurst Drive  
Arlington TX 76001

**SIGNED** this 21<sup>st</sup> day of February, 2012, at Tumwater, Washington.

  
Christine Tribe